

60-6054

OGC 60-1020

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*card*

The Honorable Joseph Campbell,  
Comptroller General of the  
United States  
Washington 25, D. C.

Dear Mr. Campbell:

Detailed analysis of the personnel situation in this Agency has demonstrated that changing needs and circumstances create imbalances in our staffing structure tending from time to time to create surpluses of personnel.

I have determined that it is necessary to institute a program for eliminating such surplus personnel on a selective basis. Tab A sets forth in some detail the background of this situation and the methods of selecting personnel to be separated. The majority of those separated can be properly handled without any special provision over and above normal Government entitlements. A small portion, however, will have made their careers in the Agency in activities of such specialized and unique nature as to hamper seriously their opportunities to earn a livelihood outside of this particular Agency. The reasons for these inhibitions are more fully set out on pages 6 and 7 of Tab A. Both in equity to these individuals but more importantly in connection with recruitment of new career employees, I believe it is necessary to recognize difficulties faced by this special category of separated employees by granting them additional compensation when separated upon a determination in each case that the required standards were met.

In order to clarify further our proposal, I also enclose Tab B, the proposed regulation pertaining to separation of surplus personnel, and Tab C, the proposed regulation for separation

*Comptroller General*

compensation. You will note that this program for elimination of surplus personnel in no way contemplates personnel who are separated for cause, terminated under the Agency's Selection Out Program, or those who retire voluntarily, nor does the separation compensation apply to any of these categories.

The basic concept of a separation program has been coordinated with the Department of Justice and the Civil Service Commission. The entire program, including separation compensation, has been coordinated with Eugene J. Lyons, Special Assistant to the President for Personnel Management, and has been approved for the Executive Branch by the Acting Director of the Bureau of the Budget. Copies of the enclosures to this letter have been given to the appropriate committees of the Congress.

Termination authority resides in section 102(c) of the National Security Act of 1947, as amended, and I would propose to make the payment of separation compensation under the authorities granted the Agency in section 8 of the Central Intelligence Agency Act of 1949, as amended, on the ground that the Agency is imposing new conditions to the employment of its personnel which warrant additional compensation under the circumstances herein described.

As I believe this program is urgently needed to enable the Agency to carry out its function under an efficient and effective personnel management program, I request your opinion as to whether you believe there is any legal objection to instituting the program as proposed.

Sincerely,

SIGNED

Allen W. Dulles  
Director

ILLEGIB

Enclosures - Tabs A, B, & C

When enclosures are detached this letter may be downgraded to unclassified.

OGC:LRH:jeb

O&I-Addressee

1-DCI via Reading

1-DDCI

1-ER

2-DD/S

1-A/Director of Personnel

1-Deputy Comptroller

1-Legislative Counsel

1-General Counsel

CONCURRENCE SHEET

Letter, dated 4 JUL 1960, to Comptroller General from  
Director of Central Intelligence regarding separation compensation

CONCURRENCE

STAT

Acting Director of Personnel

2 JUL 1960

Date

APPROVED

STAT

L. F. WHITE  
Deputy Director  
(Support)

28 July 60  
Date

Distribution:

Orig & 1 - Adse

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*ckc (7/29/60)*

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MEMORANDUM FOR: THE DIRECTOR

The Comptroller General has requested that we make a formal submission on the question of our authority to pay separation compensation to surplus personnel under certain conditions. The Bureau of the Budget has formally approved the plan with limitations which are acceptable. We have briefed the appropriate Comptroller General officials in detail and they stated a simplified submission such as the attached letter would be adequate. ~~Recommend signature.~~

  
LAWRENCE R. HOUSTON 28 July 1960  
General Counsel (DATE)

FORM NO. 10-101  
1 AUG 54

REPLACES FORM 10-101  
WHICH MAY BE USED.

**CONFIDENTIAL**

(47)